

NOTICE OF AUCTION OF RETAIL SPACE

Pursuant to A.R.S. 11-256 notice is hereby given that the county of Maricopa through its Finance Department ("Department") will lease through a Public Sealed Bid Auction process to the highest qualified bidder(s) retail space as listed below. Sealed bids shall be hand delivered to the Clerk of the Board of Maricopa County at 301 West Jefferson, 10 Floor, Phoenix, Arizona 85003, no later than 12:00 PM Mountain Standard Time on Monday, June 30, 2008. The sealed bid envelopes shall be clearly marked "Security Building Auction for Leasehold Interest in Retail Space, June 30, 2008, Do Not Open" and shall include a return name and address. Bids will not be accepted after the above stated date and time.

The Maricopa County Board of Supervisors has declared retail spaces at the Security Building as surplus property and the County is auctioning leasehold interests in the surplus retail spaces at the Security Building with the following terms:

SURPLUS RETAIL SPACE

General Location: 234 N. Central Avenue, Phoenix, AZ.

Rental Area Available: up to 8,470 rentable square feet, plus or minus, based upon a 10% Common Area factor

Term of Lease: 10 years with two 5-year options to renew

Landlord's Work: Vanilla Shell as defined by County

Tenant's Insurance Requirements: Commercial General Liability Policy with a combined single limit of not less than \$3,000,000 covering bodily injury to one or more persons

Tenant's Security Deposit Requirement: \$3.00 per rentable square foot

Projected Lease Commencement Date: January 1, 2009

Operating and Maintenance Expenses: Tenant is responsible for all Triple Net (NNN) expenses

Rent Payments: Due monthly by the first of the month

Assignment or Subletting: At County's sole discretion

Signage: Subject to City of Phoenix and Maricopa County approvals

Holdover: At 150% of total annual rent expense

The retail space at the Security Building has been appraised at a starting rental rate of \$20.00 per rentable square foot per year triple net (NNN) and consists of up to 8,470 rentable square feet, more or less. The minimum acceptable bid for the first lease year is \$18.00 per rentable square foot per year NNN.

The complete files associated with the described retail spaces listed above are open to public inspection at the Real Estate Services Division, Finance Department, 301 West Jefferson, Suite 960, Phoenix, AZ, from 8:00 AM to 4:00 PM, exclusive of holidays and weekends.

GENERAL INFORMATION

The above-described leasehold interest is auctioned as generally described in the County's boilerplate lease agreement. The presumed successful bid(s) for lease space must be formally accepted and approved by the Board of Supervisors. The Board of Supervisors of Maricopa County reserves the right to cancel this auction in whole or in part at any time prior to the formal acceptance of bid(s). Prior to formal acceptance of bid(s), the Board of Supervisors of Maricopa County reserves the right to request additional information from any bidder as to bidder's future use of the subject space.

Interested parties may access Maricopa County's web page at the following web site: www.maricopa.gov/finance/RealEstate.aspx to obtain information and forms pertaining to this auction. Maricopa County is utilizing the real estate services of The Staubach Company for marketing the retail space being auctioned. Inquiries about the retail space may be made through The Staubach Company by contacting Keith Lammersen or Jim Sadler at 602-840-9333.

Persons with a disability may request a reasonable accommodation by contacting the Maricopa County Department of Finance at 602-506-3561. Request should be made as early as possible to allow time to arrange the accommodation.

FINANCIAL QUALIFICATIONS

A bidder will be considered "qualified" if bidder submits proof with bid that bidder meets the following Financial Qualifications:

1. Business Equity of greater than \$500,000.00; or
2. Letter of Credit or Personal Guarantee or Bond in an amount sufficient to cover all obligations over the full term of the lease under the boilerplate lease agreement.

OUTSIDE BROKER INFORMATION

In the event a broker represents a potential bidder, it is the responsibility of both the potential bidder and the designated broker to include with their bid a "Broker Affidavit" form available on-line at www.maricopa.gov/finance/RealEstate.aspx and from the Department or The Staubach Company. Original signatures of Broker and Bidder must all appear on one notarized form. The Department will not accept facsimile copies.

BIDDING INFORMATION

- A. The auction for the leasehold interest in the surplus retail spaces will be conducted by sealed bids. Sealed bids shall be hand delivered to the Clerk of the Board of Maricopa County at 301 West Jefferson, 10th Floor, Phoenix, Arizona 85003, no later than 12:00 PM Mountain Standard Time on Monday June 30, 2008. A qualifying bid must contain a declaration of the size of the premises being bid, a declaration of the bidder's future use of the space, a declaration of bidder's unit rent compensation (dollars per rentable square foot) during the initial term of the lease based upon annual triple net (NNN) rental rates, proof/declaration of the bidder's Financial Qualifications, and the bidder's name, address and contact phone number(s). If the bidder is a corporation, limited liability company etc. information is to be provided as to the status of the firm (i.e. where they are registered). Bidders shall submit a refundable cashier's check, payable to Maricopa County, in the amount of the Security Deposit based upon \$3.00 per rentable square foot. **The cashier's check(s) of the presumed successful bidder(s) will not be refunded and will subsequently become the Security Deposit as part of the lease agreement.** All qualifying bids must also include a notarized "Inspection Affidavit", which is available on-line at www.maricopa.gov/finance/RealEstate.aspx.
- B. The time of acceptance of bid(s) shall be deemed to be the time of declaration of formal acceptance by the Maricopa County Board of Supervisors of the presumed highest qualified bidder(s). A bid for less than the minimum value of the leasehold interest or by a party who has not meet the required Financial Qualifications, or inspected the property and/or the property files and records of the Department will not be considered.
- C. Bidders must sign the "Inspection Affidavit" stating that they have undertaken due diligence in preparation for the auction. All leasehold interests are being offered as generally described in the County's boilerplate lease agreement. Bidders requesting access on to the property being auctioned must obtain, complete, execute and submit to the Department an "Access Agreement for Use of Real Property". Access agreements forms and affidavit forms are available on-line at www.maricopa.gov/finance/RealEstate.aspx and from both the Department and The Staubach Company.
- D. If a presumed successful bidder fails to execute a lease agreement, per the general form of the County's Boilerplate Lease, all amounts paid by bidder at the time of auction will be forfeited.
- E. In the event of forfeiture, the County may declare that the "next highest bid" is the winning bid, and that the "next highest bidder" then has ten (10) working days after notification by the Department to submit to Department the required Security Deposit and an additional thirty (30) days to execute a lease agreement with the County.
- F. The presumed successful bidder is expected to execute a lease agreement with Maricopa County for the subject suite within 30 days of the auction date.

TERMS OF AUCTION

- A. The outside of the bid envelope shall be clearly marked: "Security Building Auction for Leasehold Interest in Retail Space, June 30, 2008, Do Not Open" and shall include a return name and address. The bid must contain: 1) a declaration of the size of bidder's proposed premises, 2) a declaration of bidder's future use of the premises, 3) the bidder's best and final offer for the annual triple net (NNN) rental rates for the premises during the first term of the lease, 4) the bidder's name, address and contact telephone number(s); 5) proof/declaration of the bidder's Financial Qualifications; 6) a cashier's deposit check payable to Maricopa County in the amount of the Security Deposit based upon \$3.00 per rentable square foot of the bidder's proposed premises; 7) the notarized "Inspection Affidavit" form; and 8) the "Broker Affidavit" form, if applicable.
- B. It is the County's intent to immediately evaluate the bids and notify the presumed successful bidder(s) as soon as practical. Unsuccessful bidder's will be notified as soon as possible and will have the option of picking up their deposit check (with proper identification) or having it returned by USPS mail. The presumed successful bidder(s) and amount(s) of the bid(s) will not be revealed at this time. The Board of Supervisors will act on the presumed successful bid(s) at an advertised public meeting.